

Message Text

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PAGE 01 JAKART 07280 031056Z

ACTION EA-09

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FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 1511

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMCONSUL MEDAN

AMEMBASSY SINGAPORE

AMCONSUL SURABAYA

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E.O. 11652: N/A

TAGS: ASEAN, AS

SUBJECT: THIRD ASEAN-AUSTRALIAN DIALOGUE

1. SUMMARY: FIRST ASEAN-AUSTRALIAN SESSION IN THREE YEARS FEATURED A REVIEW OF THE FIVE GOA-ASEAN TECHNICAL PROJECTS, HARD BARGAINING ON TRADE WHICH GAINED ASEAN LITTLE, AND AN ASEAN REQUEST FOR GOA ASSISTANCE FOR THE FIVE INDUSTRIAL PROJECTS. END SUMMARY.

2. THE THIRD ASEAN-AUSTRALIAN DIALOGUE WAS HELD IN SOLO INDONESIA MAY 24 AND 25. THE ASEAN DELEGATIONS WERE HEADED BY THE RESPECTIVE DIRECTORS GENERAL, WITH ALI BIN ABDULLAH OF MALAYSIA AS SPOKESMAN. THE AUSTRALIAN DELEGATION, DESCRIBED BY AUSTRALIAN EMBOFFS AS A STRONG ONE, WAS HEADED BY A.R. PARSONS, FIRST ASSISTANT SECRETARY OF THE DEPARTMENT OF FOREIGN AFFAIRS. THIS

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PAGE 02 JAKART 07280 031056Z

WAS THE FIRST SESSION OF THE DIALOGUE I MORE THAN THREE YEARS. ALTHOUGH NOMINALLY THE THIRD SESSION, GOA SOURCES POINT OUT THAT THE "FIRST SESSION" WAS REALLY NO MORE THAN AN INFORMAL MEETING IN BANGKOK IN JANUARY 1974 DURING WHICH THE POSSIBILITY OF ESTABLISHING A DIALOGUE WAS DISCUSSED.

3. THE FIVE ECONOMIC/TECHNICAL PROJECTS AGREED UPON AT THE APRIL 1974 CANBERRA MEETING WERE REVIEWED. THEY RE PROTEIN, FOOD HANDLING, EDUCATION, ESTABLISHMENT OF A CONSUMER PROTECTION AGENCY AND TRADE PROMOTION. ALTHOUGH THE A\$5 MILLION PLEDGED BY THE GOA TOWARD THESE PROJECTS HAS BEEN SPENT OR COMMITTED, ONLY THE PROTEIN PROJECT HAS MADE ANY REAL HEADWAY. THE EDUCATION AND CONSUMER PROTECTION PROJECTS HAVE BARELY BEGUN, AND TRADE PROMOTION HAS BEEN LESS A PROJECT THAN A RUNNING DEBATE. AUSTRALIAN OFFICIALS BLAME LACK OF PROGRESS ON THE INABILITY OF ASEAN STATES TO COORDINATE PROPERLY. THE GOA OFFERED NEW FUNDS FOR EXTENSION OF EXISTING PROJECTS OR ADDITION OF NEW ONE, BUT WHILE A NJMBER OF POSSIBILITIES WERE DISCUSSED, ASEAN DID NOT TAKE UP THE OFFER.

4. THE GOA'S PLEAS PRIOR TO OPENING THE SESSION THAT IT WOULD NOT BE PREPARED TO HAVE "SUBSTANTIVE" DISCUSSIONS ON TRADE WAS IGNORED BY ASEAN REPRESENTATIVES, PARTICULARLY

SINGAPORE'S TAN BOON SENG. ASEAN VOICED ALARM AT WHAT IT TERMED THE RISING TIDE OF AUSTRALIAN PROTECTIONISM AND EXPRESSED CONCERN AT THE LACK OF RESPONSE TO AN ASEAN MEMO ON TRADE RELATIONS SUBMITTED TO AUSTRALIA LAST NVEMBER. THE MEMO HAD COMPLAINED OF THE GROWING TRADE GAP BETWEEN ASEAN AND AUSTRALIA, HIGH AUSTRALIAN TARIFFS, QUOTA RESTRICTIONS AND OTHER NTB'S, AND THE HIGH COST OF SHIPPING BETWEEN ASEAN AND AUSTRALIA. IN RESPONSE GOA DEL POINTED ON THE ONE HAND TO GROWTH IN AUSTRALIAN PURCHASES FROM ASEAN AND TO AUSTRALIAN INVESTMENTS AND LIMITED OFFICIAL USE

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PAGE 03 JAKART 07280 031056Z

TOURIST SPENDING IN ASEAN COUNTRIES, AND ON THE OTHER TO THE DIFFICULTIES THE AUSTRALIAN ECONOMY CURRENTLY FACES. GOA CANDIDLY STATED THAT IT WOULD BE TWO - THREE YEARS BEFORE IT COULD CONTEMPLATE THE KIND OF ACTION SOUGHT BY ASEAN; IN THE MANTIME, THE ONLY WAY TO REDUCE THE TRADE GAP WOULD BE TO LOWER AUSTRALIAN EXPORTS TO ASEAN. ALTHOUGH THE GIVE AND TAKE ON TRADE WAS DESCRIBED BY AUSTRALIAN EMBOFF AS SPIRITED, ASEAN SEEMED TO ACCEPT THAT THE GOA COULD DO LITTLE AT PRESENT TIME TO MEET ITS DEMANDS. HEAT WAS FURTHER REMOVED FROM THE ISSUE BY THE AUSTRALIAN INVITATION TO RECEIVE AT AN EARLY TIME A GROUP OF ASEAN TRADE EXPERTS WHO WOULD SEEK TO INCREASE EXPORTS THROUGH MECHANISMS ALREADY EXISTING. GOA IS CONVINCED THAT IT CAN ASSIST ASEAN TRADE PROMOTION THROUGH TRADE FAIRS, MISSIONS, SEMINARS, DISPLAYS, ETC. IF ONLY ASEAN CAN BE TAUGHT TO TAKE ADVANTAGE OF THESE METHODS (FYI - AUSTRALIAN EMBOFFS TELL US THAT IN ADDITION TO HAVING NO REAL RRESPONSE ON SUBSTANCE, GOA HAD BEEN UNABLE TO REPLY TO MEMO BECAUSE OF SQUABBLING WITHIN

INTERDEPARTMENTAL COMMITTEE ESTABLISHED LAST NOVEMBER TO DEAL WITH ASEAN. ECONOMIC MINISTRIES HAD TENDED TO FAVOR A BILATERAL APPROACH TO THE INDIVIDUAL ASEAN COUNTRIES, BUT THEY APPARENTLY HAVE NOW BEEN WON OVER. END FYI)

5. ASEAN OUTLINED THE FIVE INDUSTRIAL PROJECTS, STATING THAT FOREIGN PARTICIPATION WAS NOT EXCLUDED BUT THAT ASEAN CONTROL WAS NECESSARY. IT WAS EXPLAINED THAT EACH OF THE NON-HOST ASEAN COUNTRIES ARE TO TAKE 10 PERCENT EQUITY IN A PROJECT, WITH A MINIMUM OF ONE-THIRD OF THE REMAINING 60 PERCENT TO BE HELD BY THE HOST GOVERNMENT; THE DISPOSITION OF FINAL 40 PERCENT IS AT THE DISCRETION OF THE HOST GOVERNMENT AND COULD BE TAKEN UP BY A FOREIGN PARTNER. ASEAN STATED THE ESTABLISHMENT OF THESE PROJECTS WOULD REQUIRE COOPERATION FROM NEIGHBORING COUNTRIES AND SPECIFICALLY SOUGHT GOA ASSISTANCE IN FOUR AREAS:
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PAGE 04 JAKART 07280 031056Z

SOFT LOANS; CONSULTANCY AND FEASIBILITY STUDIES; TRAINING; AND TRANSFER OF TECHNOLOGY. GOA EXPLAINED THAT IT DOES NOT GIVE SOFT LOANS BUT EXPRESSED WILLINGNESS TO CONSIDER REQUESTS IN THE OTHER THREE AREAS ONCE FURTHER DETAILS WERE AVAILABLE. GOA ALSO MADE CLEAR THAT SUCH ASSISTANCE, ALTHOUGH NOT LARGE, WOULD BE OVER AND ABOVE CURRENTLY PROGRAMMED AID.

6. DESPITE SOMEWHAT HEATED ATMOSPHERE IN WHICH DISCUSSION OF TRADE TOOK PLACE, GOA IS PLEASED WITH THE WAY THE SESSION WENT. IF NOTHING ELSE, THE AIR HAS BEEN CLEARED. THE DIALOGUE HAS BEEN RENAMED THE ASEAN-AUSTRALIA FORUM AND MEETINGS WILL HENCEFORTH BE HELD AT LEAST ONCE A YEAR. THERE WAS BRIEF, INFORMAL DISCUSSION OF THE KUALA LUMPUR ASEAN SUMMIT, TO WHICH THE GOA HAD EARLIER BEEN ASSURED INFORMALLY THAT IT WOULD BE INVITEE.

7. COPIES OF THE AGREED RECORD OF THE SESSION AND THE ASEAN MEMO ON TRADE WILL BE FURNISHED TO EA/EP.
NEWSOM

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Concepts: TECHNICAL ASSISTANCE, TRADE, RELATIONS WITH REGIONAL ORGS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 03-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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